

**"God give us men. A time like this demands
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy.
Men who possess opinions and a will
Men who have honor—men who will not lie."**

**Bradshaw
Papers**



Phantom Roads Fake Contracts False Pay Rolls

SOME FACTS IN THE STORY OF THE LOOTING OF THE PUBLIC TREAS- URY THROUGH THE HIGHWAYS DEPARTMENT

"Before any vice can fasten on a man or a State, either body, mind or moral nature must be debilitated. Mosses and fungi gather on sickly and dying trees. Parasites fasten on frames that are enfeebled."

—O. W. HOLMES

CHARGED

"I, John Ernest Bradshaw, a member of the Legislative Assembly, have been credibly informed and verily believe:

"That sums of money aggregating over \$50,000 were paid over by the Government for various pretended contracts for road work not done."

PROVEN

Frauds so far uncovered by the Royal Commission aggregate \$64,395.87.

The commission has not yet completed its labors.

THE AFTERMATH

E. H. DEVLIN, Liberal member for Kinistino, serving three years in Prince Albert penitentiary.

JOB P. BROWN, Chief Clerk in the Roads Branch of the Highways Department, is serving seven years in Prince Albert penitentiary.

ROBERT GODFREY, Inspector in the Highways Department, is serving eighteen months in jail.

JOHN BETTIN, Inspector in the Highways Department, is serving six months in jail.

ARTHUR SIMPSON, clerk in the Highways Department, self-confessed thief and forger, retained in the Government service after his confession and then allowed to enlist.

A. J. MacPHERSON, forced to resign his position of chairman of the Local Government Board.

JOHN F. LINDSAY, prominent Liberal worker, arrested for complicity in the Roadwork frauds, died suddenly while on bail.

THE HIGHWAYS BOARD, WHICH FOR FIVE YEARS HAS BEEN LAUDED TO THE SKIES AS AN EXAMPLE OF THE PROGRESSIVENESS OF THE LIBERAL GOVERNMENT, HAS BEEN ABOLISHED FOLLOWING THE PUBLICATION OF THE COMMISSION'S REPORT, and has again been placed under the control of the Minister of Elections, Hon. J. A. Calder.

The Charges have been proven
to the hilt.

BRADSHAW HAS BEEN VINDICATED

THE story of the looting of the Public Treasury by Government officials employed in the Highways Department, aided by at least one member of the Legislature, forms one of the most disgraceful chapters in the annals of our provincial history. The length of time during which these fraudulent operations continued, the brazen effrontery of the participants and the impudence with which the thefts were undertaken and carried on, under the very eyes of the auditors and officials in charge, mark the transactions as an open scandal.

No charges ever made in a Canadian Legislature have been better substantiated than those made by Col. Bradshaw with regard to the road building of Saskatchewan. The member for Prince Albert cast no aspersions in connection with the road charges against individuals. He charged that the province had been defrauded of \$50,000 and that charge has been proved to the hilt.

THE GOVERNMENT'S ATTITUDE

What is the attitude of the Government with regard to these revelations? Not a word of condemnation for a system that could permit wholesale thefts without detection, but the reiteration of the parrot cry taken up by the Ministers and echoed with servile obedience by their heavily subsidized press, "The Government has been completely exonerated." And in addition they have heaped villification and personal abuse of the most contemptible kind on Col. Bradshaw, whose sole offence has been that he exposed a rotten system of administration and uncovered wholesale frauds, which, but for him, might have gone on unchecked until today.

W. E. Knowles, the Liberal Member of the House of Commons for Moose Jaw, recently said, "A condition of affairs existed which shocked the public conscience. I differ from those who find fault with Col. Bradshaw, for, in my opinion, a service has been rendered by Mr. Bradshaw to the Liberal party and to the whole province."

The story of the dramatic conditions under which the charges were made and pressed home by Lieut.-Col. Bradshaw in the Legislative Assembly; how the Government fought an inquiry, and only consented under pressure to the appointment of a Royal Commission of investigation, is well known. This body, the Wetmore Commission, consisting of ex-Chief Justice Wetmore, H. G. Smith and G. D. Mackie, conducted over several months, an inquiry which has not yet been concluded. In December it submitted an interim report.

The Wetmore Commission has again resumed its sittings.

So far as has been ascertained, there were three groups of frauds with which Job Brown, the chief clerk of the Highways Department, was connected.

The Brown-Lindsay frauds.

The Brown-Devline frauds.

The Brown-Ottawa Bank frauds.

The fraudulent pay sheets.

THE BROWN-LINDSAY FRAUDS

Brown drew up a number of fake contracts in the names of contractors who existed only in his imagination. He also filled in the various forms used in passing the work through the Highways Department, and, aided by loose methods of auditing, succeeded in piloting a certain number of these contracts safely through. The fraudulent contracts already bared in this group of frauds comprise the following:

Charles Brunnell	\$ 634.00
Charles Brunnell	1,223.86
D. H. Campbell	2,644.16
D. H. Campbell	2,031.00
D. H. Campbell	4,614.40
G. Smith	5,259.60
J. J. McLeod	\$,175.50
W. C. Currie	1,073.28
Total	\$23,655.80

DIVIDING THE PROFITS

Brown did the fraudulent work so far as the Government Departments were concerned and procured the issuing of the cheques for the fictitious work. Lindsay got the cheques cashed and forwarded one-half of the proceeds to Brown, retaining the other half himself. The Commissioners found that while Lindsay's actions were open to grave suspicion, yet they could not find, beyond a reasonable doubt, that he was aware of Brown's criminal practices.

The inference that may fairly be drawn from this finding is that if Lindsay did not know that Brown was acting in a fraudulent manner, he must have believed that Brown was collecting for some political fund or for some man higher up. He could not have believed that the transactions were regular. Be that as it may, Lindsay was arrested on February 29, 1916, charged with having stolen \$8,000 from the Provincial Government. He died suddenly while awaiting trial.

THE BROWN-DEVLINE FRAUDS

The method adopted was precisely the same as in the Brown-Lindsay frauds. E. H. Devline, the Liberal member for Kinistino, described by the Provincial Police after his flight, as "a heavy drinker and gambler," cashed these cheques, putting a number through in his home town. The total amount of these frauds was

\$12,790.74.

RESTITUTION

During the last session of the Legislature Mr. Beaudreau was put up by the Government to ask what restitution Devline had made to the Government for his frauds. Mr.

Turgeon brought down a return showing that Devline had made restitution in full.

This was the man who, after his flight, was looking for laborer's work in overalls and without funds. Yet he is able to pay back over \$12,000 to the Government.

WHERE DID THE MONEY COME FROM AND WHY DID DEVLIN'S FRIENDS THINK IT WISE TO MAKE RESTITUTION IN FULL? WAS IT NECESSARY TO CLOSE DEVLIN'S MOUTH IN ORDER THAT HE MIGHT NOT SAY WHERE THE PROCEEDS OF THE FRAUDS WENT TO?

BROWN-OTTAWA BANK FRAUDS

This group of the Brown frauds, amounting to \$29,268.33, was put through in the form of contracts, or other pretended undertakings for work done. They were negotiated through the Broad Street branch of the Bank of Ottawa. The fraudulent contracts were as follows:

W. C. Currie	\$ 2,005.52
W. A. Smith	4,526.40
J. H. Clark	4,297.55
W. C. Currie	1,292.72
W. A. Smith	1,889.52
J. H. Clark	2,125.00
W. A. Smith	1,975.00
J. H. Clark	2,433.88
W. A. Smith	2,175.20
W. C. Currie	2,257.20
W. A. Smith	1,891.20
W. C. Currie	682.50
J. H. Clark	866.66
W. C. Currie	850.00
Total	<u>\$29,268.33</u>

SAM MOORE'S PART

It was found that a large number of these were for work supposed to be done in the Pinto Creek constituency. It is a most extraordinary coincidence that the member for Pinto Creek did not detect these pretended contracts when the expenditures were set forth in the Public Accounts in the year following the payment. For this neglect he brands himself as hopelessly out of touch with the public expenditures in his own constituency, which, under the system in vogue, were all supposed to be done on his recommendation or he condoned in the misappropriation of the funds.

Brown gave the Bank of Ottawa powers of attorney supposed to be signed by the bogus contractors W. C. Currie, W. A. Smith and J. H. Clark. The Commission found that E. H. L. Smith, manager of the bank, was not aware of the fraudulent nature of these documents. The money was turned into a trust account which stood in the name of E. H. L. Smith, who in turn gave it to Brown, making payments by cheque.

Brown swore that E. H. L. Smith did not profit by these transactions, but claimed that he did know that the arrangement was to conceal the fact that Brown's teams were working for the Government. Be that as it may, the Government was defrauded by this means of \$29,268.33.

FRAUDULENT PAY LISTS

While the Royal Commission has by no means concluded its sittings, it has already been discovered that the Public Treasury has also been defrauded of \$6,035 through the issue of fraudulent pay sheets. This is the amount named as lost to the people in the interim report, and of this sum \$2,262 was lost on the Wimmer and Watson roads, which are located in the vicinity of Humboldt. It is in connection with these frauds that Robert Godfrey, one of the prominent political foremen, is serving eighteen months in jail, and John Bettin, another inspector, is serving six months.

The pay sheets for these two roads indicate the loose methods adopted by Government employes which made the looting of the Public Funds a matter of easy attainment.

THE WIMMER ROAD

	Amount Paid	Value of Actual work	Padding
July 24 to July 31, 1915	\$ 181.75	\$ 161.75	\$ 20.00
Aug. 1 to Aug. 14, 1915	956.50	834.00	122.50
Aug. 15 to Aug. 28, 1915	898.75	617.50	281.25
Aug. 29 to Sept. 11, 1915	898.75	619.00	279.75
Sept. 12 to Sept. 18, 1915	369.50	223.25	146.25
Total	\$3,305.25	\$2,455.50	\$849.75

THE WATSON ROAD

	Amount Paid	Value of Actual work	Padding
Sept. 19 to Oct. 2, 1915	\$ 819.00	\$ 420.25	\$ 398.75
Oct. 3 to Oct. 16, 1915	747.75	470.50	277.25
Oct. 17 to Oct. 30, 1915	734.00	421.50	312.50
Oct. 31 to Nov. 6, 1915	279.50	95.50	184.00
Total	\$2,580.25	\$1,407.75	\$1,172.50

ON NINE VOUCHERS, THEREFORE, COVERING A LITTLE OVER THREE MONTHS, THE PEOPLE OF SASKATCHEWAN WERE DEFRAUDED OF OVER TWO THOUSAND DOLLARS ON THESE TWO ROADS ALONE. HOW MUCH HAS BEEN STOLEN THROUGHOUT THE PROVINCE DURING THE TWELVE YEARS THE LIBERALS HAVE BEEN IN POWER?

THIS WILL NEVER BE KNOWN UNTIL THE CONSERVATIVES ARE RETURNED TO POWER AND START A REAL HOUSECLEANING AT THE PARLIAMENT BUILDINGS.

THE PEOPLE PAY

These two roads have been dealt with at some length, because they show the utter disregard of the ordinary principles of honesty and decency among these Government officials. Godfrey employed as his assistant or straw boss Arthur E. Lovell, who, though he did not apparently profit by his superior's crookedness, yet helped to prepare the fraudulent paylists and was reported by the Commission as being an "accomplice to the fraud."

According to Lovell's evidence, Godfrey told him shortly after the work on these roads started that during 1914 he had lost a camp outfit through fire and he was going to get the \$500, at which the outfit was valued, by padding the pay sheets. Godfrey swore that Brown suggested these frauds, but this Brown himself denied.

With regard to Bettin, the Commissioners found that "JOHN BETTIN DEFRAUDED THE GOVERNMENT TO THE EXTENT OF \$240.55."

These are no isolated cases of fraud. They are not, as Hon. Charles Dunning attempted to prove in the Legislature a few days after he had entered it, the workings of "one of the cleverest forgers and most daring crooks that ever came to Canada." They are the cases that have been discovered of a vast network of fraud and corruption which permeated this whole department, and, indeed, there is good reason to believe, other departments of the administration as well.

JIM CALDER IN CHARGE

It is a significant fact that Hon. J. A. Calder, the real head of the Government, and the boss of the big political machine, was the minister under whose direction the Board of Highways worked. The Board was not only a part of the machine; it was the mainspring of it, and as Jim Calder was the engineer of the machine, its workings came under his control. There were no elaborate frauds, covered up by an intricate system of forgeries that defied detection. It was clumsy robbery on a wholesale scale, and, if the systems of auditing had not been so primitive and inefficient, Brown and his partners in crimes would have been behind the bars years ago.

IT IS IN FACT ALMOST INCREDIBLE THAT SOME-ONE HIGHER UP DID NOT KNOW OF THE FRAUDS OF THE EMPLOYEES AND CONDONE THEIR OFFENCES.

At least the employees seemed to do pretty well what they liked. Arthur Simpson, a young clerk in the department came to the conclusion, as far back as 1913, that Brown was conducting a series of fraudulent transactions, and as "everybody was doing it," he himself turned thief.

ONE EMPLOYEE PROTESTS

Lieut. Milne, formerly in the employ of the Audit Branch, made complaints of irregularities to the head of this department, but it was of no use. The system of audit was a mere

farce, for Brown, by his system of "rush cheques," was able to get his payments through in ten or fifteen minutes without difficulty.

"Your Commissioners find that so far as rush cheques are concerned the spirit of the rules has been observed by the Treasury Department "IN A VERY CASUAL MANNER, and that it has been the practice to issue such cheques because THEY WERE REQUESTED AND WITHOUT ANY REASON BEING STATED FOR THEIR REQUEST."

During the first ten months the Highway Commission was in operation it was under the control of Hon. Archie McNab, but EVEN THEN JAMES CALDER WAS THE REAL BOSS. SINCE DECEMBER, 1912, HE HAS BEEN IN ABSOLUTE CONTROL, AND THE COST OF THIS HUGE POLITICAL MACHINE WHICH HAS BEEN USED TO KEEP THE LIBERALS IN POWER HAS BEEN BORNE BY THE PEOPLE.

The Highways Commission has been abolished, but Jim Calder still retains the control of his machine and of the spending of the Public Funds.

HOW LONG ARE THE PEOPLE OF SASKATCHEWAN GOING TO STAND IT?

FIXING THE RESPONSIBILITY

The Liberals seek to fool the people by trying to make them believe that the system was not bad, the auditing methods were satisfactory, and that at least the Government was not responsible. The act, however, specifically sets forth that:

"THE MINISTER SHALL, BEFORE APPROVING OF ANY SUCH EXPENDITURE, CONTRACT OR AGREEMENT, REQUIRE THE BOARD TO FURNISH HIM WITH SUCH PLANS, SPECIFICATIONS, ESTIMATES AND OTHER INFORMATION AS HE MAY DEEM NECESSARY RESPECTING THE PROPOSED WORK."

Had this act been adhered to in letter and in spirit, the frauds could never have been committed. It was, however, grossly violated, and ex-Chief Justice Wetmore, in commenting on this, says:

"IT SEEMS TO ME THAT THE ACT WAS WISE, THAT IT WOULD HAVE THE EFFECT OF CONTROLLING THE GOVERNMENT, BUT IT WAS NOT FOLLOWED."

James Calder was the man who waived it aside and James Calder is the man who is responsible for the corruption uncovered before the Commission, and

JAMES CALDER STILL RULES AT REGINA.

By order-in-council, dated April 2, 1912, A. J. MacPherson was appointed chairman of the newly-constituted Board, with H. S. Carpenter and G. A. Palmer associated with him. It soon became evident that the Board was something more than an advisory body of road experts. Its first great work was to carry the election of 1912 for the Liberals... By order-in-council, dated April 25, the sum of \$1,500,000 was placed in the hands of the Board for "the construction and improve-

ment of public highways and an additional \$100,000 for large bridges."

This was less than three months before the provincial election.

The cost of the staff and of inspections and superintendence during the first year reached approximately \$70,000, the travelling expenses of several of the foremen outside of their salaries exceeding \$2,000 each.

AND NOTWITHSTANDING THE FACT THAT THIS IMMENSE SUM WAS PLACED AT THE DISPOSAL OF THE BOARD NO MINUTES WERE KEPT OF THE MEETINGS HELD DURING THE ELECTION YEAR. THIS WAS THE TESTIMONY GIVEN BY MR. MACPHERSON ON THE STAND.

DUMMY MEMBERS ADDED

Less than a month before the election the appointment of G. A. Palmer was cancelled, and C. W. Dill was named in his place. Mr. Dill lasted until the following February, when both he and Mr. Carpenter were retired, their places being taken, by Professor Greig, of the Engineering Faculty of the University of Saskatchewan, and D. J. Sykes, the member-designate for Swift Current. These men were not placed on salary, but were to be given \$10 a day for attending Board meetings when called upon. Each was called upon to attend four meetings in the year, and so intolerable did the position become to Mr. Sykes that he wrote to Hon. Walter Scott resigning his post and telling him in plain language his reasons for such action.

The Government had got what they wanted. Hon. James Calder was "Minister in charge of the Highways Department," with A. J. MacPherson, a man of a low standard of honor and honesty, as his pliant tool.

To what extent, if any, Calder worked to get men of technical ability off the Board is not known. It is, however, evident that as soon as they had been retired and their places were filled by non-residents of Regina, who were only called at occasional meetings of the Board, there was no check on Chairman MacPherson or Minister Calder.

It was after Sykes and Greig were admitted to the Board that MacPherson awarded the Lecky Company, of which he was the leading shareholder, the contract for building the Saskatoon bridge, and this was followed by the building of several other bridges.

The arrangement suited both MacPherson and the Government. The former was not anxious that skilled men should be on the Board to oversee his questionable methods, while Calder wanted just such a man as MacPherson to be at the throttle of the Government machinery. It is no wonder that dishonesty was rampant.

IN FACT, HON. JAMES CALDER REMOVED THE VERY CHECKS ON MALADMINISTRATION WHICH HAD BEEN PLACED ON THE BOARD BY THE LEGISLATURE TO SUIT HIS OWN PURPOSES AND FOR THE SMOOTHER WORKING OF HIS POLITICAL MACHINE. ..

The very methods adopted by Mr. Calder were an inducement to dishonesty. The procedure was as follows: The chairman would show a list to Mr. Calder, giving the amount that had to be spent on large steel bridges, ferries and other works. The Minister would deduct these from the total appropriations and would then apportion the balance among the various constituencies as he thought fit.

POLITICIANS FIX UP

Mr. Carpenter admitted on the stand that Mr. Calder had nothing to go on but his general knowledge. Sometimes he relied on the expert assistance in such matters of Hon. Gorge Bell. How far this advice was political rather than technical those who know Mr. Bell will be able to gauge.

Jim Calder took care to look after his own constituency. During the year of election—1912—he apportioned no less than \$58,149 for Saltcoats, which was \$2,432 more than was spent in all the constituencies held by Conservatives. In this way he kept the promise made in the Legislature by the Government that the Highways Board would be controlled and operated by experts outside of political influences.

In the year 1915-1916 Mr. Carpenter went ahead and authorized the program of work without consulting the Board. In his evidence he declared that he did not think the authorization of the Board was necessary or that it had any power to prohibit any work over his head. In February, 1915, Job Brown, who is now serving seven years in the penitentiary, was authorized by order-in-council to sign vouchers in the chairman's absence.

WITH THE DOORS THROWN WIDE OPEN, IT IS SMALL WONDER THAT UNSCRUPULOUS OFFICIALS WALKED OFF WITH THE MONEY.

AUDITOR DID NOTHING

The testimony of an employe of the Audit Department throws some light on the methods used. Alec Milne, now a lieutenant in the C.E.F., had worked in the New Zealand Civil Service before coming to Western Canada. He testified before the Commission that Job Brown would bring an account into the department and demand immediate payment. If anyone demurred he would take the voucher right through into the Treasury and get the cheque cashed.

"It seemed apparent to me that Brown had authority. His explanation seemed to go a long way in getting an account through. I was there for three years, and I noticed all those things. BEING IN THE NEW ZEALAND SERVICE, I SAW A GREAT CONTRAST BETWEEN THE WORKING OF THE GOVERNMENT THERE AND THE WORKING OF THE GOVERNMENT HERE."

Lieut. Milne swore that he had called the attention of the auditor to these matters, BUT THE AUDITOR DID NOTHING. He also spoke to a fellow clerk about what he had noticed, and how he had reported it to the auditor without avail.

Subsequently Lieut. Milne told his suspicions to W. J. Gallon, the Provincial Conservative organizer. Asked on the stand as to why he had gone outside of his own department with the information he said:

"I DID NOT THINK BROWN WAS MISAPPROPRIATING FOR HIS OWN USE. I THOUGHT THE MONEY WAS GOING HIGHER UP, AND I DID IT FOR THE BENEFIT OF THE PUBLIC AT LARGE. I KNEW JOB BROWN WAS A GREAT MAN IN POLITICS."

CONTEMPTIBLE SPITE-WORK

After Milne had given his evidence on the stand a charge of stealing documents was trumped up against him. He was acquitted by the jury, who could hardly refrain from smiling at such a display of petty spite. The treatment Milne received was very different from that meted out to another clerk. Arthur Simpson, who was working under Job Brown, made a private confession to Jim Calder that he had stolen public money. Calder did not make the confession public, did not prosecute Simpson, but kept him on in the department until the fact of this confession was made known by chance before the Royal Commission. Then Simpson was allowed to enlist.

Jim Calder had no right to condone the crime of a thief, and his retention of him for several months in the Government service, after Simpson had confessed, was an insult to the other employees and shows an utter lack of appreciation of public decency.

Milne is persecuted, but the thefts of Simpson are condoned by the Government.

While it would be impossible to record even a small fraction of the cases in which culpable extravagance and neglect of the public interests are apparent, yet two or three may be cited as typical of the methods that have been adopted. The first is the history of the Kindersley dam and the part which Hon. W. R. Motherwell played in its construction. As is well known, the Government has always experienced a great deal of difficulty in getting him a safe seat. Before the passing of the autonomy bill, he had been singularly unsuccessful, having twice run, losing his deposit on each occasion. In 1905 he was returned for North Qu'Appelle, but in 1908 he was again defeated. Then he took to the more distant constituency of Humboldt, where he was not so well known. But the good people of Humboldt soon tired of him and before the end of the first session had begun to show a distinct coolness if not positive antipathy.

Castling around for a new riding, where he was not so well known, Mr. Motherwell transferred his affections to Kindersley. He appeared suddenly on the horizon as a fairy godfather and immediately proceeded to show the people of his new constituency (who within a few months would be called upon to vote) how a water supply could be obtained without any great cost to themselves.

POLITICAL METHODS

The courtship of the Hon. William began in the spring and by June, Chairman MacPherson and his corps of engineers had calculated that the cost of a combined bridge and dam—a dam to supply the water to Kindersley and a bridge to give the Government an excuse for doing the work—would cost \$11,000. Of this amount it was suggested that the Government should pay \$6,000 and the town \$5,000.

Chairman MacPherson did not agree to the proposal without a protest. As an engineer, and the head of what was supposed to be an independent commission, he declared that he was "shocked when he first considered the proposition," and that "it was a work wholly unwarranted and unjustifiable." According to the evidence given before the Royal Commission, he was of opinion that the Government could not legally undertake the work at all. **FOR SOME REASON HE CHANGED HIS MIND.**

But with an election in the offing, it appeared to Mr. Motherwell that a paltry \$11,000 was not a very generous gift for his newly-found friends, and the engineers revised their computations" and finally arrived at a sum of \$20,000 for the new structure. It was then suggested that the Government and the town should each bear one-half of the cost. Negotiations continued and the elections were drawing nearer.

ARCHIE MACNAB HELPS

The Hon. A. P. MacNab is then added to the cast. On August 24th he wires Mr. MacPherson to go ahead with the building of the bridge and dam. **IT MUST NOT BE FORGOTTEN THAT AT THIS TIME NEGOTIATIONS BETWEEN THE TOWN AND THE GOVERNMENT WERE STILL PROCEEDING.**

TAKING NO CHANCES

The next thing to do was to see that the contract was let to the right man—a most important matter in election construction. Very quietly and confidentially tenders were sought. No record of an advertisements for tenders could be found in the department files. In some apparently mysterious way the Parsons' Engineering and Construction Company and Laidlaw Brothers found out that tenders would be acceptable. They tendered. **LAIDLAW'S TENDER WAS DATED SEPTEMBER 7, YET ON SEPTEMBER 6 HON. W. R. MOTHERWELL WAS ABLE TO WIRE TO KINDERSLEY THAT THE PARSONS' COMPANY WAS THE LOWEST TENDERER. THIS WAS INDEED SECOND SIGHT, FOR IT WAS NOT UNTIL SEPTEMBER 11 THAT MACPHERSON MADE HIS COMPARISON BETWEEN THE ONLY TWO TENDERS RECEIVED.**

Parsons' price for the work was \$36,000, and Laidlaw's price was \$28,000, a difference in favor of Laidlaw of \$8,000. **YET MOTHERWELL PROVED A TRUE PROPHET, FOR THE PARSONS' COMPANY GOT THE JOB. Moreover, al-**

though the contract price for the work was \$36,000, the Parsons' Company actually got \$57,000 for the bridge and dam. How the advanced figure was arrived at forms interesting reading.

A SCANDALOUS PRICE

In figuring up the Parsons' tender it was found that "rip rap" had been fixed at \$2 per yard. "Rip rap" is simply rough stone laid along the soft bank to keep the soil from being undermined by water or otherwise. MacPherson, in his examination before the commission, said that the figure for rip rap in the Parsons' tender must reasonably mean \$8 per CUBIC yard. There were 833 cubic yards of this rip rap estimated to be done on the job, but when the time for payment came the Parsons Company asked for and received \$13,920 for 2,784 square yards or 928 cubic yards at \$15 per cubic yard. That is to say:

Estimated 333 cubic yards at \$2 a cubic yard	\$666
Paid for 928 cubic yards at \$15 per cubic yard	\$13,920
Miscalculation or net gain to the contractor.....	\$13,254

AND THERE IS NOT AN ENGINEER OR A CONTRACTOR IN CANADA WHO DOES NOT KNOW THAT \$15 PER CUBIC YARD IS FOR RIP RAP AN EXORBITANT AND RIDICULOUS PRICE.

The quantities are also under the gravest suspicion. The engineer in charge did not or would not vouch for these figures nor O.K. them, nor indeed did anyone outside of the Government offices, where it stands to reason no one had actual knowledge of the work done.

Meanwhile Kindersley continued the negotiations with regard to payment and finally agreed to pay fifteen per cent. of the total cost. UP TO THE PRESENT KINDERSLEY HAS NOT PAID A SINGLE NICKEL TOWARDS THE COST OF CONSTRUCTION.

To sum up the whole sordid story, Motherwell seeks a constituency. Makes an election promise. The Highways Commission admits it has no jurisdiction to build. MacNab orders the work done. Job is let to the highest tenderer. Motherwell pretended to know the lowest tender a day before contract was awarded.

First estimate of cost	\$11,000
Second estimate of cost	\$20,000
Contract price of Parsons	\$36,000
Actually paid to Parsons	\$57,000
Total cost of bridge, labor and materials	\$62,804

WEED LAKE BRIDGE

The examples of irregular methods of letting contracts, of work done without tender and the piling up of extras to the advantage of favorite contractors could be multiplied by scores. Here is another typical case of the Highways Commissioners' methods, under the control and supervision of James Calder.

On November 7, 1914, the Parsons' Construction Company at Regina was asked to submit a tender for a 100 foot arch

concrete bridge, over Weed Lake, south of Broadview. No competitive tenders were sought from other contractors. Two days later the Parsons' Company wrote to Mr. F. J. Robinson, chairman of the Highways Board, offering to construct the bridge for \$34,538, and attaching to their tender a schedule of unit charges. A few days after receipt of this tender the Government decided to change the design of the bridge to a three-span bridge on piers. No formal contract had been entered into when the change was determined upon, and there is grave suspicion that the schedule of unit prices and the tender sum were excessive.

PRICE IS CHANGED

On November 20, 1914, the Parsons' Construction Company wrote to the Highways Department that having looked over the new plans they expected that the cost of excavations, cofferdams, etc., would be almost doubled. No contract had at that date been entered into with the Construction Company, and no competitive tenders were called for the more elaborate bridge. Nevertheless on December 2, 1914, a contract was entered into by the Parsons Company to erect the bridge at prices in excess of those named in their original tender. For example, in the original tender there was a lump sum set down for overhead charges of \$5,000; this was increased in the tender accepted on December 2nd to \$12,500. In the schedule of prices of the original tender no special price appeared for wet excavation over ten feet. In the amended tender a special price of \$20 per cubic yard was fixed for such excavation. The price for concrete below the line was fixed at \$10 as the unit in the original tender. This was increased to \$15 in the amended tender.

It is apparent, therefore, that the Parsons' Construction Company fixed their own prices for the work and were subsequently allowed to increase these prices without competitive tenders being asked.

On November 30, two days before the contract was entered into and ten days after the Parsons' Construction Company had "looked over the plans," the first progress estimate was passed, and the Construction Company received a first payment of \$1,500 for excavation work.

Progress estimates for excavation were passed and paid on December 17th, 1914, amounting to \$1,500, and on January 4, 1915, to \$2,500. On the latter date work for the winter apparently stopped, for there is no record of any further progress estimate being made until May 5th. There is no record on file in the Highways Department of any report showing the quantities of work done and passed by the inspector on the job during this winter period.

The last progress estimate for the embankment was made on September 16th, when the total amount of earth excavated was shown at 17,627 yards. Of this amount, according to the progress estimates, 4,500 yards was done in the winter and 13,127 during the summer period. Yet the job was let at winter prices, although nearly three times as much was done in the summer as in the winter.

HOW MONEY WAS WASTED

The price for this excavation set by the Parsons' Construction Company, without tender, was 75 cents per cubic yard. The average haul was 1,000 feet down grade from an easily worked hill of clay loam. Engineers contend that from 18 to 23 cents per cubic yard would have been a fair price for this haul. If these figures are correct, the Government overpaid the Construction Company over \$7,5000 on this item alone.

Not content with these high prices, the Parsons' Construction Company actually submitted a bill to the Highways Department for \$5,400 for the removal of 360 cubic yards of ice from the cofferdams, where concrete was later placed at the price of \$15 per cubic yard. Evidence established at the hearing before the Public Accounts Committee that the Highways Department had never before allowed such a charge, as the same was properly chargeable in the lump sum of \$12,500, payable to the contractor for miscellaneous and overhead expenses, in any event was not provided for by the contract, and should therefore not have been charged as an extra. The price which the contractor asked for moving this ice was on the same basis as that paid for removing dirt for excavation of piers, and it was not until Chairman Robinson made a ruling that the contractor should be paid from the ice level for excavations that this extra was settled for the sum of \$2,000. This was a total loss to the province, and was only made after pressure.

To sum up:

Estimate of Engineer of Highways Department for two-pier bridge with cost of approaches	\$26,000
Estimate of Highways Engineer for three-pier bridge with cost of approaches	\$30,000
Actual cost of four-pier bridge constructed	\$104,000
First estimate of Parsons for four-pier bridge	\$39,543
Net loss to the people of Saskatchewan, about	\$65,000

SASKATOON BRIDGE

The investigation into the Saskatoon Bridge was not commenced at the instigation of Col. Bradshaw, but was begun by the Government itself, following the revelations with regard to A. J. MacPherson. Col. Bradshaw announced early in the hearing that he took no responsibility for these charges. Up to the present all the time taken up has been consumed in examining the witnesses called by the Government.

Some of the evidence given by the experts and by these Government witnesses does not place the work in such a favorable light as some of the apologists of the Liberal party would have the people believe.

Professor Greig, a member of the Highway Commission, stated that he was not consulted in connection with the letting of the contract. He further stated that he considered the time allowed was too short to allow of proper tenders being submitted.

GROSS BREACH OF TRUST

But the most damning testimony was given by R. J. Lecky, who said that THERE WAS NO DOUBT THAT CHAIRMAN MACPHERSON, OF THE HIGHWAYS COMMISSION, AND A PARTNER IN THE FIRM OF THE SUCCESSFUL TENDERERS, R. J. LECKY & CO., KNEW OF THE AMOUNT OF THE TENDER SUBMITTED BY THE LECKY COMPANY BEFORE HE WAS CALLED TO PASS UPON THE TENDERS IN HIS OFFICIAL CAPACITY AS CHAIRMAN OF THE COMMISSION.

It would be difficult to imagine a grosser breach of trust on the part of a high official of a Government. But there was worse to follow.

After the Lecky tender was filed and on the day after the time for filing tenders, according to R. J. Lecky's sworn testimony and the evidence of MacPherson and Linton, LECKY WAS ALLOWED TO ADD \$15,000 TO HIS PRICE AFTER THE TENDERS WERE OPENED.

Yet even then MacPherson, chairman of the Board and partner of the R. J. Lecky Company, was not satisfied. The Lecky Company put in extravagant claims for extras, and some of these were paid on the authority of Chairman MacPherson. For example,

For Placing Steel

Amount claimed by the Lecky Company per ton for 266 tons	\$ 60.00
Amount allowed by the Government per ton	23.56
Amount considered proper by the Commission expert per ton	16.00

Labor of Heating the Concrete

Amount claimed by the Lecky Company	505.73
Amount paid to the Lecky Company	505.73
Amount considered proper by the Commission expert	nil

Clause 47 clearly provided for this being done by the contractor at his own expense.

Cost of Re-Erecting Forms

Amount claimed by the Lecky Company	\$12,241.00
Amount paid to the Lecky Company	1,972.75
Amount considered proper by the Commission expert	nil

Extra Allowed on Excavation

Amount claimed by the Lecky Company	6,800.00
Amount paid to the Lecky Company	2,421.11

The Commission expert said that this should have been paid for at ninety cents a yard or about one-eighth of what was paid.

In addition to these items, on account of bad gravel supplied by a Liberal friend or bad cement supplied by the Government, one pier had to be reconstructed at a cost of \$9,357.51. The Government has not yet made up its mind who is to blame for this enormous loss.

LUCKY LECKY

The R. J. Lecky Company is one of the concerns that fattened on Government contracts. It was an example of the "get-rich-quick" schemes through which the People of Sas-

katchewan were bled by the culpable negligence and connivance of Government officials and by the dishonesty of the contractors. It affords a splendid illustration of the way A. J. MacPherson, one of the most prominent Liberals and one of their most trusted servants, regarded public affairs and ordinary honesty. This man MacPherson was at one time chairman of the Board of Highway Commissioners, and he resigned this post to accept the chairmanship of the Local Government Board at a salary of \$8,000 a year.

It is quite a few years ago since R. J. Lecky and L. V. Kerr, the former a contractor and the latter a real estate dealer, formed a partnership for the purpose of carrying on a general contracting business. The firm was in a small way of business and in the early days of its career was not regarded by other contractors as more than a very small concern. In 1912—election year—when these two gentlemen saw that the Highways Board had a million and a half to spend, their mouths began to water and they sought some means by which they could get a share of the spoil. It was a shame they thought that when so much political money was floating around why they should not "get in on the graft." L. V. Kerr was on the inside in the Liberal councils, being an ardent admirer of Jim Calder and his methods, and he hit upon the clever scheme of taking A. J. MacPherson into partnership.

JUST SIX WEEKS BEFORE MACPHERSON WAS TAKEN INTO PARTNERSHIP HE HAD BEEN MADE CHAIRMAN OF THE HIGHWAYS BOARD, WITH SUPREME CONTROL OF THE SPENDING OF THE \$1,500,000.

Note the result. Until MacPherson joined the firm the R. J. Lecky Company had never had a Government contract. By the end of 1913 the R. J. Lecky Company HAD NO LESS THAN THIRTY-SEVEN BRIDGE CONTRACTS WITH THE SASKATCHEWAN GOVERNMENT, ALL AWARDED BY CHAIRMAN MACPHERSON, OF THE HIGHWAYS BOARD AND PARTNER OF THE R. J. LECKY COMPANY.

THE COMPANY IS BONDED

The first capital of the company was \$9,000 paid up, and with this they undertook the construction of the Saskatoon Bridge, which cost over half a million dollars. The only thing that stood in their way was the securing of a proper bond for the performance of the work and this was obtained by a clever piece of trickery. Some prominent Liberals got together and formed the Western Hospital and Accident Insurance Company, Limited. They evidently wanted to keep the matter dark, so although they all lived in Regina, they incorporated their new firm in Edmonton under the laws of Alberta. That this did at first succeed in blinding the eyes of those who wanted to investigate is evident from the fact that during the session of 1915 a question was directed by the Opposition in the Legislature requesting information as to the shareholders and directors of this company.

Attorney-General Turgeon brought down a return on June 23 that "THIS BEING A FOREIGN COMPANY, I AM

UNABLE TO GIVE THE NAMES OF THE SHAREHOLDERS."

THE MYSTERIOUS DIRECTORS

The matter was further investigated and it was found that the directors of this mysterious company were as follows: L. V. KERR, PRESIDENT; W. M. MARTIN, FIRST VICE-PRESIDENT; J. F. BOLE, SECOND VICE-PRESIDENT; W. O. LOTT, SECRETARY-TREASURER; WITH F. J. ROBINSON, S. P. PORTER AND T. H. GRIFFITHS, DIRECTORS, ALL OF REGINA. L. V. Kerr and W. O. Lott were both shareholders of the Lecky Company, which they sought to bond. F. J. Robinson was Chairman of the Highways Board at the time the contract was being performed, and W. M. Martin is the present Premier of Saskatchewan.

The company was a dummy concern. The only business that has ever come to light which the company did was to bond the R. J. Lecky Company for this one contract. The strain apparently was too great and they went into liquidation.

724 shares were applied for and the shareholders were liable for \$60,690 when the Lecky Company got into difficulties. BUT THEY DID NOT HAVE TO PAY UP. WHEN THE LECKY COMPANY COULD NOT COMPLETE THEIR CONTRACT THE BONDING COMPANY, MADE UP OF POLITICAL SHAREHOLDERS, SILENTLY DISSOLVED.

SOME OTHER DISCOVERIES

So far as the Lecky Company was concerned, R. J. Lecky testified before the Royal Commission that Macpherson's stock was not carried in his own name, but in that of L. V. Kerr, BECAUSE THE COMPANY EXPECTED TO DO BUSINESS WITH THE CITY OF REGINA AND THE GOVERNMENT OF THE PROVINCE. MacPherson was City Commissioner of Regina before he was selected to fill the chairmanship of the Highways Board.

During the hearing of the Royal Commission, Mr. Palmer, chief clerk of the Bridge Branch of the Highways Board, testified that MacPherson told him in June, 1915, that he was a member of the Lecky Company. Palmer told Carpenter, then acting chairman of the Highways Commission, but no action was taken. It was not until March, 1916, when Mr. Willoughby got MacPherson on the stand under oath before the Public Accounts Committee that the general public learned of the Dr. Jekyll and Mr. Hyde role that Mr. MacPherson had been playing. IF THE GOVERNMENT KNEW OF THIS, THEY ALLOWED IT TO CONTINUE. THREE DAYS AFTER THE EXPOSURE MR. MACPHERSON RESIGNED.

During the time MacPherson was chairman of the Highways Commission the Lecky Company obtained seven bridge contracts without any competition at all and without other tenders being asked for. THAT IS TO SAY, MACPHERSON, AS CHAIRMAN OF THE HIGHWAYS COMMISSION,

PASSED ON THE PRICES SUBMITTED BY MACPHERSON AS PARTNER OF THE R. J. LECKY COMPANY, AND LET THE CONTRACTS TO HIMSELF AND FRIENDS.

A PUBLIC CONFESSION

MacPherson admitted before the Royal Commission that in passing on extras, he was influenced by his connection with the Lecky Company and WAS TRYING TO SAVE THE LECKY COMPANY FROM LOSS.

FRAUDULENT PAY SHEETS

During the progress of the investigation the Royal Commission appointed two auditors to examine the pay sheets on the road contracts. Their findings show clearly the dishonest methods of the political road foremen and the way in which the people of Saskatchewan were defrauded of thousands of dollars. There were many methods of doing this, and the auditors specify some of the dishonesty as follows:

Foremen were paid for Sundays.

Owners of teams drew pay for Sundays.

The same man is shown as driving more than one team on the same day, and draws pay for both.

More teamsters charged on the sheets than there are teams employed.

Some teams are shown to have worked 35 days without a break in a wet season.

Inspectors of Commission interested in foremen's outfits and foremen in inspectors' teams.

In addition to this, the auditors showed that certain contracts were awarded privately by the Chairman and did not bear the seal of the Commission, and that in many cases the signatures on the pay sheets did not correspond with those on the cheques.

Attention might also be directed to the method by which inspectors and others had a large number of teams working in the several gangs. For example, in 1913, J. H. Bird was the apparent owner of the teams held in the name of E. F. Francis. During this season he drew no less than \$8,590 for the work done by these teams, while at the same time he drew a large salary and expenses for his inspection work. In the same year W. Callender drew \$6,625 for teams apparently owned by D. MacNab. Other equally startling amounts were paid during the years 1913-1915.

WORK RAIN OR SHINE

The strange thing about the work of these teams belonging to these political foremen is that they seemed to have worked continuously. At least they were paid for continuous work. For instance, J. R. Bird's teams worked for 1,718 days without losing a single day. This forms something of a record for Saskatchewan. In the next year the teams, which he owned jointly with E. F. Francis, worked 1,017 days without losing an hour. D. MacNabb, T. B. Molloy and A. MacMillan, who also had from one to sixteen teams in the roads, were equally lucky in getting full work from these famous horses.

IT DOESN'T SEEM TO HAVE BEEN NECESSARY TO MAKE A DEDUCTION ON THESE GOVERNMENT JOBS.

IT IS CERTAINLY A SCANDALOUS CONDITION OF AFFAIRS THAT INSPECTORS DRAWING LARGE SALARIES FOR THEIR WORK SHOULD BE HIRING TEAMS OUT TO WORK ON THE ROADS WHICH THEY WERE SUPERVISING, BUT THERE SEEMS TO HAVE BEEN NO LIMIT TO THE NERVE OF THESE POLITICAL ROAD-MASTERS OR TO THE DEVIOUSNESS OF THEIR DEALINGS.

ROAD FOREMEN

While there is little or nothing to choose in the public honesty of these political foremen, it is worth while to look at the record of this J. R. Bird. His connection with the Government dates back several years, probably to about 1906, and he received promotion to the position of inspector in the Highways Department. Job Brown and Bird were old cronies. In 1910 they formed a partnership, being joint owners of an outfit of mules, horses and wagons, which, from that time until 1916, had been almost constantly in the employment of the Government. As there were 12 horse and 5 mule teams, 12 of which were working practically all the time at from \$5 to \$6 a day, they brought in a tidy little sum a year. All that Brown did to get it was in the form of a little further stretching of his conscience, which was indeed of a very elastic character. Like the good business men they were, Brown and Bird took few chances. Brown was the chief clerk in the Highways Department; at times he really ran it, and for several years Bird is said to have actually inspected the work done by his own teams. Indeed the cheques were made out in his name. But there was no need of secrecy, as both A. J. MacPherson and F. J. Robinson knew all about it. But what could they do? MacPherson was awarding contracts to his own firm.

But the real orgy of theft occurred in the fall of 1914, when a large number of settlers, chiefly in the western portion of the province, were in distress through the failure of their crops. The Government agreed to grant relief, and set aside a sum of over \$1,000,00 for the purpose. The relief, however, came in a large measure to the Government inspectors, paymasters, foremen, straw bosses, sub-foremen, cooks and general hangers-on, who fattened on this money to an extent which no other province of Canada can equal. Six officials engaged in road work were dismissed for drunkenness and disobedience of orders. A large amount of the money was paid over the bar, in direct contravention of the law. A flood of political heelers was turned loose in the relief sections, and the stories of gambling and drunkenness that filtered through brought disgrace on the Government's administration of this huge sum. The following are some of the concrete examples of how this money was spent:

Foreman Oliver Kerr—East of 34 and 3 in 19-7W3.

Total for relief work	\$90.00	
Foreman got		\$28.00
Straw boss got		21.00
Foreman, horses, etc., got		18.00
Balance for relief work (including hiring of team)		15.00

Total\$90.00 - \$90.00

As a matter of fact, out of \$90.00 spent for relief work, \$81.04 went to relieve the foreman, his horses and his straw boss, and \$8.96 was for the relief of the needy settler.

Foreman A. J. Stewart—13-36 in 14-19W3.

Total for relief	\$102.75	
Foreman and straw boss got		54.60
To the men for relief		48.23

Total\$102.75 \$102.75

The foreman, A. J. Stewart, was paid for six days. The cook, Margaret Stewart, was paid for seven days. The foreman and outfit was allowed for seven days. The laborers were allowed for one day.

OTHER EXAMPLES OF RELIEF WORK

Section 12&13—tp 15—range 14 W3rd.

Wages paid for actual road work.....	\$30.00
Wages paid foreman and assistant.....	42.50

Section 33-13-21 W3rd, North from Gull Lake.

Wages paid for actual work.....	\$ 5.00
Wages paid foreman and assistant.....	42.50

This is but a brief summary of some of the corruption, the extravagance and the inefficiency that has been uncovered by the investigations that were started when Col. Bradshaw made his famous charges in the Legislature.

The Government, by the employment of skilled counsel, has sought in every way possible to block the investigation. The lawyers have argued and probed, not to get at the real facts, but to place the Government in the best and most favorable light with the people.

But the People of Saskatchewan can see through these flimsy subterfuges and the veil of lying and hypocrisy woven by the subsidized press does not cloak the hideousness of the spectre beneath.

We must see to it that the men whom we elect to serve the state at this time of empire crisis are men to whom the betrayal of a public trust is a thing abhorred. We must see to it that they are men whom the breath of scandal would pass by untouched. We must see to it that they are men who would scorn to lie and to steal and to bribe. The fair name of Saskatchewan must, in future, be entrusted to men of character. The day of the machine politician has passed.

"Ring out the narrowing lust of gold,
Ring out the darkness in the land,
Ring out the false, ring in the true,
Ring out the old, ring in the new."

—Tennyson.

